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By: **Senators Stone, Della, Dyson, Grosfeld, Harris, Hughes, and Jacobs**  
Introduced and read first time: February 6, 2004  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Insurance Administration - Report - Events Involving Direct**  
3 **Flood and Flood-Related Damages**

4 FOR the purpose of requiring the Insurance Commissioner to prepare a report  
5 following an event for which the Governor declared a state of emergency and  
6 which involves direct flood and flood-related damages; specifying information to  
7 be included in the report; allowing the report to be prepared with the  
8 Commissioner's annual report; requiring the report to be submitted to the  
9 Governor and the General Assembly; requiring the report to be submitted to the  
10 Federal Insurance and Mitigation Administration in the Federal Emergency  
11 Management Agency; requiring the Commissioner to submit a certain report by  
12 a certain date relating to a certain event to the Governor, the General Assembly,  
13 and the Federal Insurance and Mitigation Administration; and generally  
14 relating to the Maryland Insurance Administration and the reporting on events  
15 involving direct flood and flood-related damages.

16 BY repealing and reenacting, with amendments,  
17 Article - Insurance  
18 Section 2-110  
19 Annotated Code of Maryland  
20 (2003 Replacement Volume)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Insurance**

24 2-110.

25 (a) No later than December 31 of each year, the Commissioner shall prepare  
26 an annual report about the previous fiscal year that includes:

27 (1) a list of the authorized insurers transacting insurance business in the  
28 State, with any summary of their financial statements that the Commissioner  
29 considers appropriate;

1           (2)     the name of each insurer whose business was closed during the year,  
2 the cause of the closure, and the amount of assets and liabilities of the insurer that is  
3 ascertainable;

4           (3)     the name of each insurer against whom delinquency or similar  
5 proceedings were initiated, a concise statement of facts about each delinquency or  
6 similar proceeding, and the status of each proceeding;

7           (4)     a list of the rulings and decisions made in cases before the  
8 Administration during the year;

9           (5)     a statement of all fees, taxes, and administrative fines and penalties  
10 received by the Commissioner and deposited into the General Fund of the State;

11          (6)     the ratio of complaints filed during the calendar year against each  
12 insurer for each major line of insurance written by the insurer and a summary of the  
13 resolution of the complaints;

14          (7)     recommendations of the Commissioner about changes in the laws  
15 affecting insurance and about matters affecting the Administration;

16          (8)     information about the operation of the Fraud Division, including:

17                 (i)     the number of complaints received that relate to insurance  
18 fraud, the nature of the complaints, and the resolution of the complaints;

19                 (ii)    the number of complaints and cases referred to a State's  
20 Attorney and the resolution of the complaints or cases;

21                 (iii)   the number of complaints and cases referred to the Office of the  
22 Attorney General and the resolution of the complaints or cases;

23                 (iv)    the number of calls made to the insurance fraud hot line;

24                 (v)     the number of complaints received from persons regulated by  
25 the Commissioner;

26                 (vi)    the total number of cases, by type of insurance fraud; and

27                 (vii)   the number and percentage of cases that result in the  
28 imposition of civil or criminal penalties;

29          (9)     a list of all staff positions, classifications, and salaries in the  
30 Administration as of the end of the preceding calendar year; and

31          (10)    any other relevant information that the Commissioner considers  
32 proper.

33         (b)     (1)     At least once every 5 years after December 1, 1995, the  
34 Commissioner shall prepare a report recommending any changes that the  
35 Commissioner considers appropriate under §§ 4-104 and 4-105 of this article.

1 (2) When required, the report described in paragraph (1) of this  
2 subsection may be prepared with the annual report required by subsection (a) of this  
3 section.

4 (C) (1) FOLLOWING AN EVENT FOR WHICH THE GOVERNOR DECLARED A  
5 STATE OF EMERGENCY UNDER § 3-401(1) OF THE STATE GOVERNMENT ARTICLE AND  
6 WHICH INVOLVES DIRECT FLOOD AND FLOOD-RELATED DAMAGES, THE  
7 COMMISSIONER SHALL PREPARE A REPORT THAT INCLUDES:

8 (I) A DESCRIPTION OF THE IMPACT OF THE EVENT ON THE  
9 INSURANCE BUSINESS;

10 (II) THE NUMBER OF COMPLAINTS RECEIVED THAT RELATE TO THE  
11 EVENT, THE NATURE OF THE COMPLAINTS, AND THE RESOLUTION OF THE  
12 COMPLAINTS;

13 (III) RECOMMENDATIONS BY THE COMMISSIONER ABOUT CHANGES  
14 IN STATE LAWS OR REGULATIONS AFFECTING THE CLAIM-HANDLING PROCESS  
15 FOLLOWING THE EVENT AND OTHER MATTERS RELATING TO INSURANCE;

16 (IV) OBSERVATIONS OF THE COMMISSIONER ABOUT THE  
17 CLAIM-HANDLING PROCESS UNDER THE NATIONAL FLOOD INSURANCE PROGRAM  
18 FOLLOWING THE EVENT AND OTHER MATTERS RELATING TO THE PROGRAM;

19 (V) RECOMMENDATIONS BY THE COMMISSIONER ABOUT  
20 IMPROVEMENTS TO THE CLAIM-HANDLING PROCESS UNDER THE NATIONAL FLOOD  
21 INSURANCE PROGRAM AND OTHER MATTERS RELATING TO THE PROGRAM; AND

22 (VI) ANY OTHER RELEVANT INFORMATION THAT THE  
23 COMMISSIONER CONSIDERS PROPER.

24 (2) UNLESS OTHERWISE REQUIRED, THE REPORT DESCRIBED IN  
25 PARAGRAPH (1) OF THIS SUBSECTION MAY BE PREPARED WITH THE ANNUAL REPORT  
26 REQUIRED BY SUBSECTION (A) OF THIS SECTION.

27 [(c)] (D) (1) Reports required under subsection (a) [or], (b), OR (C) of this  
28 section shall be submitted to the Governor and, subject to § 2-1246 of the State  
29 Government Article, the General Assembly.

30 (2) THE REPORT REQUIRED UNDER SUBSECTION (C) OF THIS  
31 SECTION SHALL ALSO BE SUBMITTED TO THE FEDERAL INSURANCE AND  
32 MITIGATION ADMINISTRATION IN THE FEDERAL EMERGENCY MANAGEMENT  
33 AGENCY.

34 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before July 1, 2004,  
35 the Insurance Commissioner shall submit a report described in § 2-110(c) of the  
36 Insurance Article as enacted by Section 1 of this Act relating to the event of tropical  
37 storm/hurricane Isabel in September 2003 to the Federal Insurance and Mitigation  
38 Administration in the Federal Emergency Management Agency, the Governor, and,  
39 subject to § 2-1246 of the State Government Article, the General Assembly.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 2004.